

Purchase Order

 P.O. Number: 100503-005 Date: 06/08/2020

This Purchase Order is submitted by studio503, LLC ("Buyer") to the undersigned vendor ("Seller"). Buyer offers to purchase the goods or services described below ("Goods") according to the terms and conditions contained on this Purchase Order.

To confirm and accept this Purchase Order, sign and send back to Michael Walters via e-mail At michael.walters@studio503.com.

Seller/Vendor: LYON IMPORTS LLC DBA Mandel Distributors
475 Oberlin Ave South
Suite 2
Lakewood, NJ 08701

ACCEPTED BY SELLER (INCLUDING ADDITIONAL TERMS ON REVERSE SIDE):

Signature:  Date: June 09, 2020

Print Name: Shaya Prager Title: _____

Ship To: Payload Group, LLC 5201 Norex Drive, Chaska, MN 55318

Ship Via: Best Way

Payment Terms: Wire upon receipt of total number of goods

Freight Terms: Prepaid / FOB Destination

Ship Date: Upon receipt of Deposit. Must Arrive before 6/12/2020

Shipping Instructions: Seller shall provide shipping notification upon shipping and must call for delivery appointment 48 hours prior to arrival at (612) 940-9794

Qty.	Description	Unit Price	Total
1.8MM	3 Ply Surgical Mask ASTM Level 3 FDA Certified 50 Masks / Box 2,000 Masks / Master Carton New, Non-Returned & Free of Defects	\$.60	\$1,080,000.00 USD
Sub Total:			\$ 1,080,000.00 USD
Taxes:			\$ NA
Freight:			\$ Included
TOTAL:			\$ 1,080,000.00 USD

TERMS AND CONDITIONS

1. **Authorization by Buyer.** This Purchase Order, and any amendments hereto, shall be binding upon Buyer only if Buyer has received Seller's unconditional written acceptance within 24 hours.

2. **Delivery.** The Goods will be delivered by Seller to Buyer at the expense of Seller, unless otherwise specified in writing and signed by an authorized agent of Buyer. Deliveries shall be made within usual hours at the "Ship To" address above.

3. **Receipt of Goods.** The Goods shall be deemed received by Buyer when delivered to Buyer at the "Ship To" address above, received at that address by authorized agents of Buyer, and acknowledged in writing by such persons.

4. **Risk of Loss.** Seller shall bear the risk of loss until the Goods have been acknowledged by Buyer per paragraph 3.
5. **Time is of the Essence.** Time is of the essence for the delivery of the Goods in this Purchase Order.
6. **No Conditional Acceptance.** Signing this Purchase Order by Seller, or shipping Goods in response to this Purchase Order, signifies complete acceptance of its terms and bars the addition of conditions without a separate agreement signed by Buyer.
7. **Warranty.** Seller warrants that the Goods will be new, of merchantable quality, free of defects and damage, of good material and workmanship, not previously owned or returned and fit and sufficient for the purpose intended. That its goods and services are in compliance with all US and FDA requirements and regulations. These warranties are in addition to those implied by law and Seller hereby makes all warranties as described in the Uniform Commercial Code as adopted in Minnesota, United States of America.
8. **Warranty of Title.** Seller agrees to deliver the Goods free of any lien, claim or outstanding claim of title hostile to Seller.
9. **Acceptance Not Waiver.** Acceptance of Goods by Buyer is not a waiver of any action for breach of warranty or otherwise.
10. **Defective Goods.** Seller shall promptly remove, repair and/or replace, at Seller's expense, any Goods that Buyer designates as non-conforming or defective, for 6-months after delivery.
11. **Payment.** Buyer will pay 50% on 5/9/2020 and Balance of Order Upon Complete Delivery of Goods on or before 5/15/2020
12. **Confidentiality and Non-Disclosure of Trade Secrets and Business Information.** SELLER UNDERSTANDS THAT BUYER CONSIDERS ITS BUSINESS METHODS, MANUFACTURING TECHNIQUES, AND CUSTOMERS STRICTLY CONFIDENTIAL AND TRADE SECRETS. Accordingly, Seller agrees not to use or disclose to anyone information concerning the products, ingredients, combination of ingredients, quantities, frequency of purchase, change in purchasing habits, or techniques employed or purchased by Buyer, whether under this Purchase Agreement or otherwise. Further, Seller shall not use or disclose the names, identities, addresses, or other information concerning Buyer's customers to the extent disclosed to Seller by Buyer.
13. **Indemnity.** Seller will indemnify Buyer and hold it harmless from and against all claims, liability, loss or damage, including attorneys' fees, arising out of or related to the Goods, or acts or omissions of Seller, if caused by Seller's negligence or fault.
14. **Insurance.** Seller must have \$3,000,000 per occurrence / \$6,000,000 aggregate of insurance covering the Goods subject to this Purchase Order and must have an approved Certificate of Insurance on file with Buyer and listing Buyer as an additional insured.
15. **Force Majeure.** Notwithstanding anything to the contrary contained herein, neither party shall be liable for any delays or failures in performance resulting from acts beyond its reasonable control including, without limitation, Acts of God, fire, flood, explosion, earthquake, or other natural forces, war, civil unrest, accident, any strike or labor disturbance, or any other event similar to those enumerated above. Notwithstanding the foregoing, in the event of such an occurrence, each party agrees to make a good faith effort to perform its obligations hereunder.
16. **No Other Agreement.** This Purchase Order is the full and final agreement of the parties with respect to its subject matter, and no written or oral communication between the parties before or after the execution of this Purchase Order will modify or amend the agreement. This Purchase Order may be modified only by a written document signed by both parties.
17. **Severability.** Invalidity of any provision of this Purchase Order shall not affect the validity of any other provision.
18. **Governing Law and Exclusive Venue.** This Purchase Order shall be construed under the laws of the State of Minnesota, United States of America. All actions or disputes shall be brought ONLY in the state or federal courts of the State of Minnesota.
19. **Attorney's Fees.** In the event of any legal proceeding arising out of this Purchase Order, or the performance or interpretation thereof, Buyer shall be entitled to recover its reasonable attorney's fees and costs from Seller if Buyer prevails.
20. **Breach.** Seller shall be liable to Buyer, in the event of breach of the warranties contained in this agreement or any other terms of this Purchase Order, for incidental and consequential damages including, but not limited to, business interruption, loss of time, delay, lost profits, and lost income.
21. **E-Mail Execution.** This Purchase Order, once executed, may be transmitted by e-mail and shall have the same effect as an original signature.